

2013

Human Resources Department Business Plan



City of Sugar Land

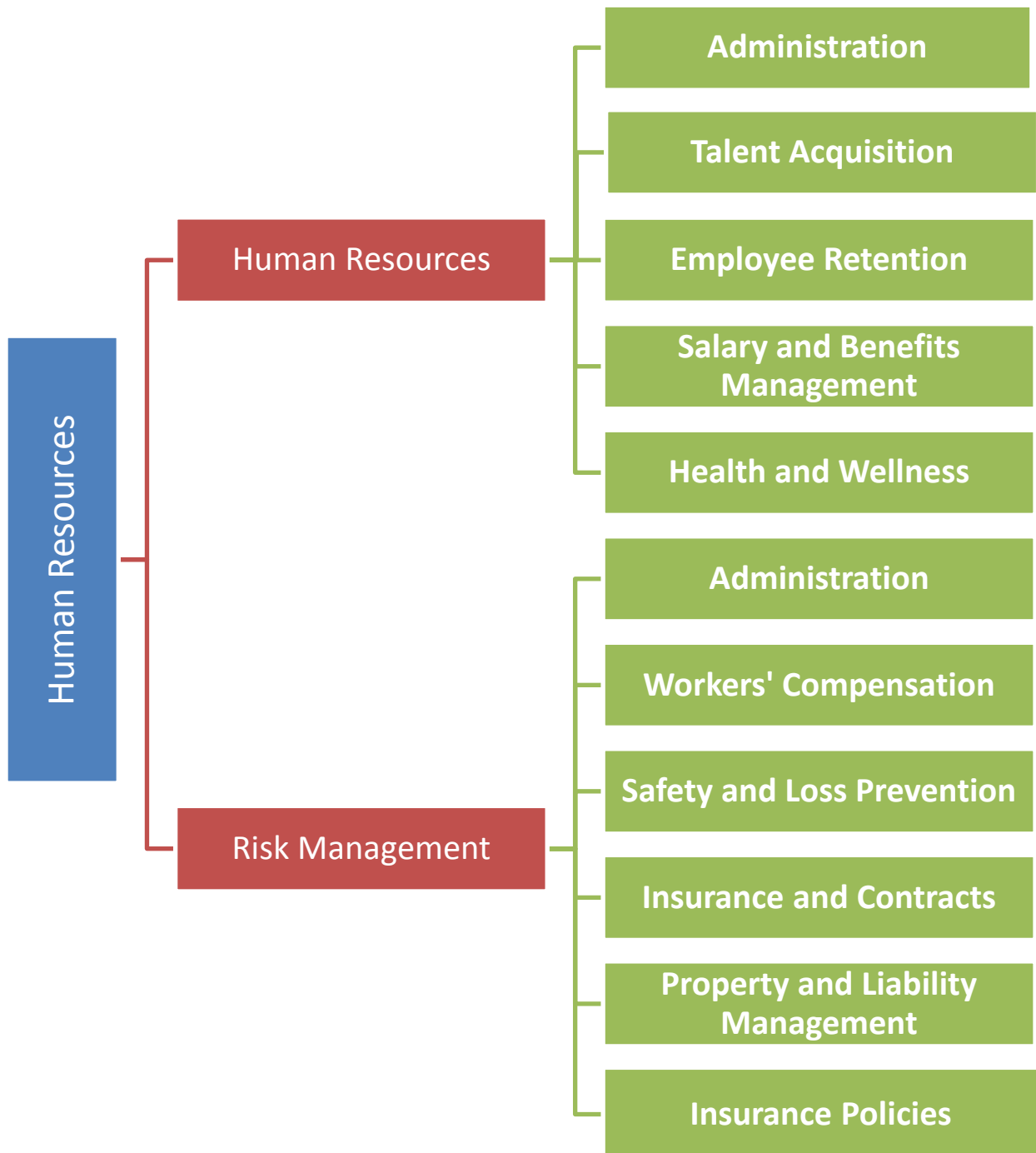
HUMAN RESOURCES DEPARTMENT BUSINESS PLAN

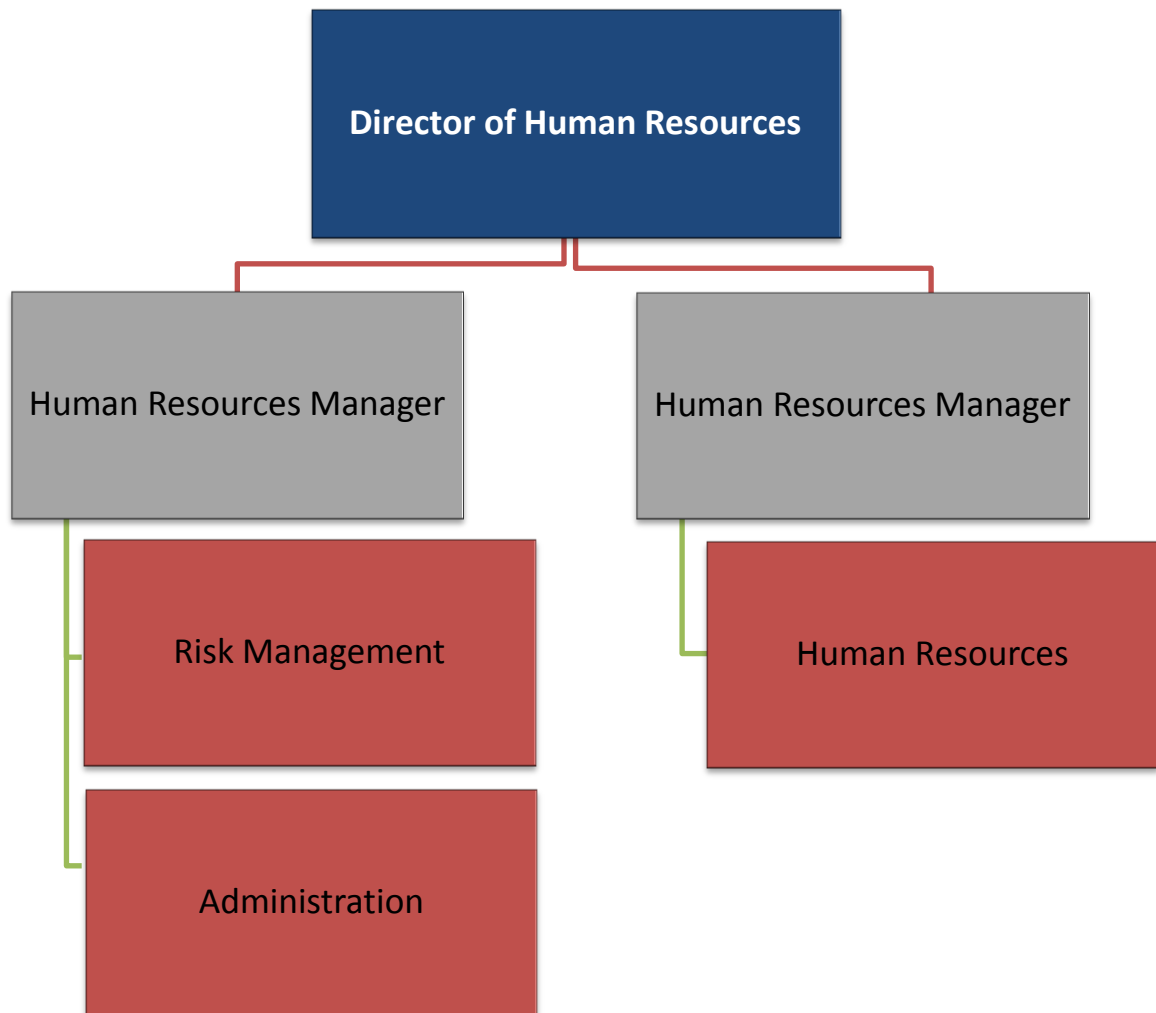
CONTENTS

Organizational & Functional Structure	3
Human Resources	5
Program Summary	5
Services and Service Levels	5
Service: Administration	5
Service: Talent Acquisition	8
Service: Employee Retention	10
Service: Salary and Benefits Management	13
Service: Health & Wellness	14
Service Level Expectations	15
Risk Management	16
Program Summary	16
Services and Service Levels	16
Service: Administration	16
Service: Workers' Compensation	17
Service: Safety and Loss Prevention	18
Service: Insurance and Contracts	23
Service: Property and Liability Claims Management	24
Service: Workers' Compensation, Property and Casualty Insurance Policies	25
Service Level Expectations	26

HUMAN RESOURCES DEPARTMENT 2013 BUSINESS PLAN

ORGANIZATIONAL & FUNCTIONAL STRUCTURE





2013 PROGRAM OF SERVICES

HUMAN RESOURCES

PROGRAM SUMMARY

The Human Resources Department has 8 full-time positions and has an operating budget of \$293,990. Normal working hours are Monday through Thursday 7:00 a.m. to 5:30 p.m. and 8:00 a.m. to 5:00 p.m. on Friday. The Human Resources Department is an internal services department that provides services to the organization in talent acquisition and retention, employee relations, employee development, organizational support systems to include policy research and implementation, performance management, employee recognition programs and events, and records management. In addition, Human Resources oversees the salary and benefits programs to include salary surveys, oversight of the compensation plan as well as administering health benefits for employees and their families, and retirees. The Human Resources program operates to meet the City's mid-term priority of Responsible City Government by working closely with managers and individual employees to provide programs and services that create a champion work environment.

SERVICES AND SERVICE LEVELS

Service: Administration

As an internal service department, Human Resources provides support in many areas to the departments:

Human Resources Information System:

Human Resources utilizes and maintains a Human Resources Information System (HRIS) which allows us to maintain employee transactions and is the first step in processing payroll transactions. HRIS was developed by H.T.E. and communicates with the H.T.E. payroll system. This system is utilized to process all payroll status change forms that affect an employee's status, which includes processing of new hires, salary changes, reclassifications, position changes, leaves of absences, and employment separations. Changes are entered per the payroll status change form and then a copy of the form is sent to payroll. The payroll department then verifies the changes and either accepts or rejects that change. If the data entry is incorrect or additional changes need to be made, the payroll department will reject the change and it comes back to Human Resources to make the change and reenter. This process is important so that changes can be verified and acts as a check and balance to ensure accuracy.

Also maintained in the HRIS system are employee demographics, emergency contact information, position salary information, employee reviews and evaluations, education information, leaves of absences, essential driver information, historical training records, and exit interview information.

Cognos:

Cognos (QREP) is a report writing system that Human Resources utilizes to create reports from information stored in HRIS and the payroll system. Reports are created and generated to include reports for EEO reporting, driving license checks, training records, employee information, and worker's compensation. Staff also generates various reports for other departments as requested, such as salary reports and years of service reports.

Evaluation System:

The Human Resources Department manages Success Factors, the online performance evaluation system for employees. This provides the framework for conducting annual employee performance evaluations and organizing them for analysis, as well as providing the data used for calculating merit pay for employees. The City implemented this program in 2008 and it has been a successful tool for providing a user friendly and consistent method for evaluating employees. The system is maintained manually; changes are made after each pay period to new hires, transfers, and terminations. In addition, Human Resources provides training to the supervisors in order to develop a fair and consistent evaluation system for each employee. Supervisors are trained to provide feedback that will help the employee develop and build skills that are necessary to perform their job duties. Reports are also generated from the system that shows employees' current supervisors and evaluation information for all employees. During the annual evaluation period, reports are generated with the ratings, and merits are calculated based on the rating. The program coordinator enters these payroll changes into the HRIS system and payroll verifies the information and approves the increases to pay.

Master Personnel Files and Records:

Human Resources maintains employees' Master Personnel Files. Files include personnel status changes and calculations for pay, information that the employee receives at hire, acknowledgement pages, their application, emergency contact information, disciplinary records, letters of compliment, and training records. A separate file is kept for confidential records, such as pre-employment medical screening results, credit checks, pre-employment background checks and test results. Also, a separate file is maintained for benefits that includes TMRS information, enrollment forms, and qualifying event changes. Files are also maintained for I-9 forms, EEO forms, protected health information, grievances, appeals, contracts, and recruitment files. Human Resources consistently monitors the filing of records to ensure that IRS and auditor's requirements are met. In addition all records are maintained according to the Texas State Library Retention Schedule and in many cases files are considered permanent even after separation.

In 2010, Human Resources implemented an Electronic Document Management System (EDMS). In striving to reach our goal of having all active employees scanned into the system by September 30, 2012, Human Resources and IT worked diligently to develop new processes to increase the efficiency of the system. With many hours of overtime and a partnership with Information Technology, all active employee files were input into the system by September 27, 2012. While this project is completed, we

will continue to maintain a duplicate hard copy file for every employee until defined procedures are in place for destruction.

Human Resources also responds to open records requests from the public. As required by the Texas Public Information Act, governmental bodies shall promptly release requested information that is not confidential by law, either constitutional, statutory, or by judicial decision, or information for which an exception to disclosure has not been sought. We are required to comply with the request within 10 working days of the receipt of the request. Requests are processed through the City Secretary's office, and sent to us to fulfill the request. Requests are commonly submitted for employee records, but we also receive requests for other types of records, such as compensation and benefits requests. Documents are scrutinized carefully to ensure that all personal information is redacted before sending the copy to the City Secretary's office. Responses are completed within the 10 day deadline.

Employee ID/Access Badge System:

The Human Resources Department administers the Employee ID/Access Badge System in accordance with Interdepartmental Policy HR 101- Identification Badge Policy. Human Resources issues new employees an ID/Access Card on their first day of employment and notifies the department of the ID/Access Card number. City Hall Employees' ID/Access Cards will be given general access to secured areas of City Hall and to the individual's department only. Non-City Hall Employees' ID/Access Cards are given general access Monday through Friday, 8:00 a.m. – 5:00 p.m. to City Hall. (with the exception of police officers). Non-City Hall employees obtain access to their respective department work areas through the Security Coordinator in that department. Employees are required to sign an acknowledgement form that they received their badge. If an employee requests access to a department other than their own, the Director over that department must authorize the access.

The Human Resources Department also prints specialized cards for departments outside city hall as requested by the department. The type of card will be determined by the access required for the cardholder to perform their tasks.

Emergency Management:

HR maintains Annex Z of the City's Emergency Management Plan and the Emergency Conditions Policy of the Employee Policy Manual. Annex Z provides guidelines for managing the Labor Pool during an emergency. During an emergency, Human Resources is responsible for staffing the labor pool check in and fulfilling requests from the Logistics team on requests for personnel. Human Resources maintains current contact information on all employees, both for Labor Pool needs and for the Blackboard Connect system, making additions and changes to employee phone numbers and addresses as needed. During an emergency, Human Resources provides a resource to the employees via a BLOG on SLIC to communicate openings and closings of service stations, grocery stores, dry cleaners, and other needs. After an emergency, Human Resources also ensures that employees are given the recovery support they may need from the City's health plan or from the Employee Assistance Program.

Human Resources also provides assistance to the Emergency Management Department with training of employees on the Emergency Conditions policy, training for the Logistics team on forms and processes needed for staffing the labor pool, and acts as a liaison to the Phone Bank.

Service: Talent Acquisition

Human Resources provides a Talent Acquisition program in order to find and acquire a quality workforce by following a recruitment policy that respects, encourages, and represents the diversity of the community and coincides with the City's values and goals. The Human Resources Business Partners (HRBPs) provide assistance to the organization by assisting in the acquisition of the most qualified candidates for jobs. Human Resources offers some centralization for acquiring talent but it is largely the department's responsibility to hire qualified individuals through a fair process. The speed at which HR and Departments fill vacancies can contribute to the overall efficiency of our organization. There is less time and money spent in non-productive hours if we are able to hire efficiently.

Activity: Job Postings/Recruitment

Employment action to recruit is initiated when the Human Resources Department receives the Request to Recruit for a Vacancy form with all signatures along with a job description identifying the minimum and preferred job requirements. The Business Partners work closely with supervisors to develop the advertisement to ensure that specific requirements for the vacant position are specifically referenced in the advertisement, as this provides the basis upon which the candidates' qualifications will be evaluated. Human Resources begins recruitment by publishing the job posting on the City's website (external) or SLIC (internal) within 2 business days of receiving both the Request to Recruit and the department's approval of the posting, at least 90% of the time.

The Human Resources Department posts all announcements for vacant positions. Each position announcement has an opening and closing date. Position announcements are open for at least 5 business days and applications are accepted for consideration through the closing date.

Positions designated for "internal posting only" are posted internally for 5 business days and not advertised to the public. If there are no qualified internal applicants, the advertisements will be placed and external applications received.

Occasionally, positions that are traditionally difficult to fill, may be posted "until filled", only as authorized by the Director of Human Resources. An open-ended search has no fixed deadline for the receipt of applications. The position announcement and advertisements give the date when the review of applications will begin. This allows Human Resources to continue to accept applications while reviewing already received applications until an ideal candidate is identified. Any applicant screened as being equal to or better than the group currently under consideration will be added to the group and the Supervisor must also give it equal consideration.

In some instances, Human Resources may also contract with outside search firms to hire key positions. In addition, HRBPs maintain relationships with various minority groups through memberships with organizations and attendance at local career fairs.

Activity: Application Tracking and Screening

Human Resources has worked closely with IT to develop an online application program so that applicants can apply for jobs online. This system has continually created issues for the Human Resources staff in maintaining applications, and there have been many ongoing problems for the Applicants. Applicants are applying for jobs by paper application, which defeats the purpose for an online system. In FY 2013, funds have been allocated for the purchase of a system that will save time for HR staff and provide a higher level of customer service, not only to the applicants, but also to the departments. Human Resources will work with IT to evaluate systems and to move forward with the purchase of a system that will provide better service to our customers.

Once a position closes and the position is filled, the department is required to return all applications and interview notes to Human Resources to file. The law requires that applications and applicant notes of applicants that were not hired be retained for at least 2 years. Applicant files are maintained electronically making these documents easily accessible and also protects the City from any EEOC charges by an applicant. Files are maintained electronically in Laserfiche, as well as any hard copies. In FY 2011, the Human Resources Department received 3,632 applications.

Activity: Selection

The Human Resources Department accepts all applications and screens them for minimum qualifications based on the required qualifications listed in the position announcement and job description. Applicants who do not meet the minimum criteria will not be considered for employment. Those applicants meeting the minimum required qualifications constitute the “legitimate candidate pool”. In some instances, a Supervisor may request a “qualitative” or comparative screening. Under a qualitative screening HR will narrow the field of potential candidates to the most qualified applicants by ranking those candidates based on preferred qualifications which identify the strengths and weaknesses of their experience by comparing one applicant with another.

The Human Resources Department assists the Supervisors in structuring interview questions, coordinating interviewing panels, and other assistance in the interview process. Once the Supervisor has checked all references and made a conditional job offer, Human Resources schedules the drug screen, criminal history check, and/or a physical, depending upon the position.

All rejected applications and interview materials are maintained by the Human Resources Department as a “completed recruitment packet”. These records are kept for the period required by the Texas State Library Retention Schedule. The Human Resources Department sends notification letters to all interviewed applicants that a final decision has been made. Once the position is filled, all interview notes and applications are returned to Human Resources to be stored in Laserfiche and are destroyed after 2 years, per the Texas State Library retention schedule.

In FY 2011, the Human Resources Department posted 82 jobs, and hired 81 employees. The Human Resources Department's goal is to fill 75% of non-public safety recruitments within 65 calendar days of posting the position.

Activity: New Hire Processing and Orientation

New hires are provided with a new hire packet prior to their first day of employment. On their first day of employment, the new hire reports to Human Resources where the Business Partner reviews with them their packet that includes benefits information, I-9 information, direct deposit forms, IT services and practices, payroll and holiday calendars, as well as the employee policy manual, the safety manual and the Interdepartmental Policy on ID Badges, etc.. In addition, the Business Partner reviews the City's systems and provides the employee with their user names and passwords for E-mail, Target Solutions, and gives them a brief overview of Success Factors. This process typically takes about 2 to 3 hours with each new employee. The employee is also issued their ID/Access Badge on their first day.

New hires are also required to attend an orientation within the first month of hire where they are introduced to the City's culture, values, and policies. New hire orientation involves a brief overview of different departments across the City, to include IT, Purchasing, and Risk Management. The employee policy manual, and Safety Manual is reviewed in depth and the new hires also receive an overview of how to navigate SLIC and where to find policies. Human Resources schedules the locations and notifies the employees and their Supervisor. They end the ½ day session with a tour of city hall.

Service: Employee Retention

The Human Resources Department makes employee retention a priority to the City and offers many programs to retain the best employees to ensure business success. Human Resources offers programs to recognize employee achievements, training opportunities to develop the employee's knowledge, skills, and abilities, opportunities for advancement, pay based on performance, and coaching.

Communication is made a priority and bi-monthly staff meetings and one on one meetings are encouraged with individual staff to share information. Communication is also encouraged through the yearly development of performance evaluations that involve both the supervisor and the employee in order to communicate department goals and receive feedback for improvement. The Human Resources Department fosters a culture of wellness and provides a safe work environment through the efforts of the safety and risk programs. All of these efforts have resulted in a turnover rate of less than 10% for the last 5 years, with an 8.62% turnover rate in FY 2011.

Activity: Employee Relations

Human Resources Business Partners provide assistance to employees experiencing personal and work related difficulties. Human Resources proactively addresses employee issues through open communication with employees and supervisors. In addition, the department coordinates, responds, and manages unemployment claims, Family Medical Leave Requests (FMLA), leave of absence requests,

military leave, and catastrophic leave. The department investigates and responds to formal complaints and grievances and coordinates an appeal review process.

Human Resources provides advice and consulting services for supervisors and managers concerning policies, procedures, and various employment laws and supervisors and managers for difficult employee problem solving. Also, the department provides advice to supervisors through employee issues or discipline; investigative support on important employment laws such as discrimination, EEOC charges, and Department of Labor investigations.

Human Resources assists work groups and individual employees where trust has broken down in departmental relationships. This is accomplished through mediation or group problem solving utilizing the City's Employee Assistance Program or by utilizing outside resources when required. In addition, current Human Resources staff may also assist with claims through in-house mediation.

Activity: Employee Development/Training

The Human Resources Department is dedicated to managing the employee's development in order to keep our organization strong through an emphasis on our values, developing employee's skills, and ensuring supervisors know how to supervise and do not create labor issues. In addition, we strive to develop employees for future leadership roles in the organization to ensure that the organization is keeping their top performers who desire to move up in their chosen career ladders. Human Resources provides training that coincides with the City's values and goals. This includes supervisory training which ensures that all supervisors are following our policies, procedures, and values as they manage our employees. There is mandatory training for all employees that is values and/or legally based, for example Customer Service Training, and Multi-cultural training. (See Appendix). The Human Resources Department subscribes to Target Solutions to offer an online alternative for employee mandatory training. Target Solutions also maintains training records on individuals that allows tracking and reporting as needed.

Human Resources provides classes that have a solid foundation of our organizational values and helps to instill those values throughout our organization. The training that is conducted or organized by Human Resources does not include technical training that is needed in a specific profession or technical area of the city as is provided by specific departments in the City.

The Human Resources Department provides a leadership development academy to develop emerging talent for key leadership positions. The Emerging Leader Academy offers employees in the organization the opportunity to gain leadership skills necessary to lead Sugar Land in the future. Since the creation of the program, graduates have filled key leadership positions as either a Department Manager or a Department Director. Each participant participates in various training programs that include, but are not limited to a mock council presentation, leadership training, and a group project.

In addition, Human Resources provides training on computer office software that is used in our daily business operations. Human Resources provides job skills training for employees that need specific skills associated with the agenda process, purchasing process, and presentations to council.

Activity: Organizational Support Programs

The Human Resources Department manages several programs and systems that define our organizational culture. Human Resources manages these programs as part of its support to the organization.

Sugar Land Information Central (SLIC):

SLIC is the main communication tool for the employees across the City and the Human Resources Department is a viable part of the communication to employees. Human Resources assisted with the development of a new design for SLIC and the development of departmental pages. Human Resources staff oversees the front page of SLIC, where much of our communication to employees occurs. HR is also responsible for the information shared on SLIC, to include employee policies, interdepartmental policies, forms, training information, the birthday calendar, information on the Association of Sugar Land Administrative Professionals page, messages from the City Manager and other important announcements to employees. HR also manages the Sugar Source bulletin board where employees post personal items for sale or personal businesses.

Policies:

Human Resources researches and develops employee policies. The employee policy manual is reviewed regularly and updates are made throughout the year. A yearly review of the policy manual is done by the staff and recommendations for changes are reviewed with the legal department and then with the Executive Team. Human Resources staff provides training to all employees on policy revisions, as well as new policies as they are implemented.

Human Resources also acts as a clearing house for citywide Interdepartmental Policies. The Human Resources Department manages the Interdepartmental policies across the City by maintaining the original policies, providing assistance in formatting and guidance in the approval process. The approved policies are posted on SLIC and e-mails sent out to the organization to inform staff of new policies and revisions.

Human Resources oversees the Tuition Reimbursement policy for employees by reviewing degree plans and approving reimbursement requests according to the policy guidelines provided in the Employee Policy Manual. Employees may submit their application to Human Resources each year during the budget process for consideration. Human Resources reviews the applications and based on the information provided develops a budget for the following year. Tuition reimbursement is based on an average of the University of Houston rates for a Bachelor's degree and a Master's degree.

Events, Awards, and Recognitions:

There are several employee events that are coordinated through HR if not completely driven by HR: the Employee Awards Banquet, the City Picnic, events for the Association of Sugar Land Administrative

Professionals (ASAP), Charity events (the Salvation Army Angel Tree Project, United Way) and coordination of a City hall holiday luncheon. In addition, Human Resources oversees the budget and the policy on retirements and resignations. Also, in accordance with the policy on recognition, Human Resources administers an On the Spot Award program for employees that perform above and beyond their normal job duties. The On the Spot Award is a card that allows the employee the option to choose from a selection of gifts from the vendor website valuing around \$35 each. Since the inception of the program in 2008, 160 employees have received On the Spot Awards.

Service: Salary and Benefits Management

The Human Resources Department maintains and reviews compensation policies. Human Resources works under the direction of the City Council policy and closely with the City Council Compensation Committee developing and revising policies as needed to ensure fair and equitable compensation for all employees. Human Resources Business Partners analyze and classify jobs to ensure that non-public safety positions are placed in the correct pay grades. HR surveys both private and public sector to ensure that pay plans stay competitive. Each year 1/3 of the non-public safety positions are surveyed whereby, within a 3 year period all positions have been surveyed. Private sector companies with 500+ employees are targeted. For public sector benchmarking, we utilize local benchmark cities. In addition, Human Resources Business Partners survey public safety positions by contacting a sampling of cities that are 500+ to ensure that positions are placed in the correct pay grades and that we remain competitive with the market.

Human Resources is in the final stages of completing a comprehensive review of the general and management pay structures. All employees completed a job analysis questionnaire detailing their specific job duties, then they were reviewed by Human Resources, a review committee and then by the Executive Team where positions will be slotted into a new pay structure based on a point system. New job descriptions will be developed from the job analysis questionnaires and will assist in making recommendations to management on reclassifications and classifications. Project implementation is planned for FY13.

Human Resources Business Partners and the Human Resources Program Coordinator manage employee benefits enrollment, qualifying events, and terminations. Human Resources offers benefits to terminated employees in accordance with the laws of the Consolidated Omnibus Budget Reconciliation Act (COBRA) and tracks the program to ensure that premiums are paid. In addition, the Human Resources Business Partner that oversees benefits manages the benefits contracts and consistently maintains a relationship with the provider to ensure that the employees have the most effective and efficient service available.

Activity: Regional Compensation and Benefits Surveys

Human Resources participates in regional compensation and benefit surveys to ensure that salaries and benefits remain competitive with the market. This also allows the City to receive a wide range of

surveys that contain data relating to benefits and compensation of cities across Texas. In addition, the Human Resources Department purchases the annual survey from Waters Consulting that contains both public and private sector data. In the past, Human Resources has also completed surveys on the Wellness of our organization and have recently won an award for one of the healthiest cities in Texas.

Activity: Evaluation of Benefits Plans

The Human Resources Department manages the employee's benefit plans and assists employees with their questions about their benefits and provides an open enrollment process that is easy for employees and easy for staff to administer. An open competitive process is conducted that is transparent for our employees but balanced with the city's budget and within the benefit burden assigned by the City Council. Staff worked closely with our benefits consultant, Gallagher, to arrive at fully-insured premium equivalents and determine employee contributions that achieve our goals for self-funded insurance, as well as foster consumerism. This allowed the City to transition from a fully-insured health plan to a self-insured health plan. Plan utilization is monitored regularly on a monthly, quarterly, and annual basis. Human Resources manages the contract with Cigna which offers the following plans: Medical, Dental, Vision, Long-term Disability, Short-term Disability, Term Life Insurance and AD&D and Flexible Spending. In addition, Human Resources also manages contracts for Employee Assistance Programs, Prepaid Legal, Cancer Insurance, and 457 plans for the employees.

Activity: Employee Performance Reviews

The City provides a pay for performance evaluation system for employees, which is managed by the Human Resources Department through an online performance evaluation system, Success Factors. Evaluations for each employee are performed annually on a common review date. Human Resources provides the forms each year to the supervisor to prepare a performance plan and to communicate to the employee essential job factors, skills, expectations, and at what level the employee should be performing. The performance plan is reviewed and agreed upon with both parties. Next, supervisors are required to hold a periodic update with each employee to discuss their performance. Employees are then required to complete a self-evaluation before receiving their annual evaluation. Supervisors shall review staff evaluations with the Department Director prior to discussing with the employee as part of the department calibration stage of the evaluation. Once the evaluation is completed, employees may receive their merit based on a matrix implemented by management in conjunction with the budget.

Service: Health & Wellness

Human Resources administers the overall health and wellness programs for the City. The Human Resources Department works with the Wellness committee to provide wellness events and partners with managers and employees to create a culture of wellness by developing policies that foster wellness which in turn develops healthier lifestyles and decreases costs of healthcare.

SERVICE LEVEL EXPECTATIONS

Program: Human Resources	
Service (Activity)	Service Level Expectation
Administration	Provide support to the departments through information systems, performance evaluation systems, management of records, ID badges, and providing support during emergency events.
Talent Acquisition	<i>Service Levels as Defined by Activities Below:</i>
<i>New Hire Processing and Orientation</i>	New hires attend orientation within first month of hire.
<i>Job Postings/Recruitment</i>	Jobs posted within 2 business days of department approval. Full-time positions filled within 65 business days of vacancy or request to recruit by department.
<i>Application Tracking and Screening</i>	Qualified candidates referred to department within 3 business days of job closing date.
Employee Retention	<i>Service Levels as Defined by Activities Below:.</i>
<i>Employee Relations</i>	Disciplinary actions resolved before passing from management control. Number of employee grievances and appeals per 100 employees.
<i>Employee Development/Training</i>	Targeted employees complete required training.
<i>Organizational Support Programs</i>	Coordinate events, award and recognition programs for the employees that define our organizational culture and support values of CHAMPS. Communicate policies to organization and provide support for developing new policies
Salary and Benefits Management	<i>Service Levels as Defined by Activities Below:</i>
<i>Compensation and Salary Surveys</i>	Benchmark 1/3 of non-public safety positions every year. Survey public safety positions annually. Respond to survey requests within 5 business days of receipt.
<i>Evaluation of Benefits Plans</i>	Provide employees with annual open enrollment for benefits. Conduct regular (month, quarter and annual) analysis of plan utilization.
<i>Employee Performance Reviews</i>	Process annual evaluations for all employees.
Health and Wellness	Provide Wellness events that foster a culture of wellness.

RISK MANAGEMENT

PROGRAM SUMMARY

Risk Management is staffed by 2.00 full-time positions and 1.00 program position (thru February 2014) and has an operating budget of \$542,501. Normal working hours are Monday through Thursday 7:30 a.m. to 5:30 p.m. and 8:00 a.m. to 5:00 p.m. on Friday.

Risk Management is an internal and external service program. Risk Management administers the City's insurance program for Property, Casualty and Workers' Compensation (Real & Personal Property, General Liability, Auto Liability, Auto Physical Damage, Workers' Compensation, Crime, Public Officials Errors & Omissions, Law Enforcement and Pollution Liability). Administration of the Risk Management program includes claims management for all the above insurance policies. Other major components of Risk Management are the Workers' Compensation program, Safety and Loss Prevention, Insurance and Contracts, and Property and Liability. Through Loss Prevention initiatives Risk Management protects the city's financial, property, and personal assets from the possibility of accidental loss, injury, and/or catastrophic destruction. In addition, the Risk Management program monitors the claim litigation process, administers and develops employee safety training, and assists with accident investigations.

Risk Management analyzes potential risks for a better and safer environment and works closely with managers and individual employees to provide programs and services that create a safe work environment. Risk Management maintains records of exposures, costs, coverages, and claims, monitoring programs and legislation that might affect them, producing appropriate analytical studies to keep employees, supervisors, directors and management informed, and providing assistance to individuals and departments on insurance related issues. Additionally, this unit works to assess and reduce public risks or liabilities associated with the City's operations, products, services, activities and events.

We are dedicated to minimizing or eliminating the exposure of City assets and resources to accidental and business loss. Risk Management assists all levels of management and employees to maintain safety programs and practices that will ensure the safe and effective completion of city services and reduce accidents and injuries.

The Risk Management program operates to meet the City's mid-term priority of Responsible City Government.

SERVICES AND SERVICE LEVELS

Service: Administration

Risk Management administers its budget and monitors its revenues and expenditures to ensure sound fiscal controls. Property infrastructure and property schedules are maintained by Risk Management to prepare for rerate renewals and to ensure property and assets are appropriately insured. During the rerate Risk Management works closely with other departments to audit city property and assets and provide current data for the insurance renewals. As well as, review of other exposures that may affect

the City during the insurance renewals. During hurricane recovery or other emergency events Risk Management provides assistance with property damage assessments. Risk Management develops and updates its policies and procedures and ensures compliance with all city purchasing, accounting and personnel policies and procedures.

Service: Workers' Compensation

The City's Workers' Compensation program covers all employees, elected officials and volunteers while performing normal work duties, acting in an official capacity, or representing the City of Sugar Land. Workers' compensation insurance coverage provides covered income and medical benefits for individuals who sustain a work-related injury or occupational disease as provided under the Texas Workers' Compensation Act. The Workers' Compensation Policy identifies all the guidelines of the program.

Administering the program includes receiving, investigating, and monitoring the Workers' Compensation claims. Claims are monitored for medical treatment received, loss of time, and restrictions placed by the treating physician. To reduce the number of claims and insurance costs Risk Management takes proactive measures by identifying safety issues and analyzing potential risks in the working environment. Managing the Workers' Compensation claim includes staying involved with the claim when it occurs and ends when the employee is back at work fully recovered from the injury.

Processing Claims: Risk Management ensures that all workers' compensation claims are processed within 1 business day of date received. Processing a claim involves notifying the Workers' Compensation carrier through the required form called DWC01. Texas Department of Insurance, Division of Workers' Compensation (DWC) requires that the DWC01 form be submitted to the carrier within 8 days after the employee's absence from work or notice of the injury or occupational disease. The Workers' Compensation Policy requires that employees and/or supervisors notify Risk Management within 24-hours of the injury or occupational disease. Depending on the severity of the injury, loss of time, changes in the status of the claim other DWC forms are required to be submitted to the carrier with deadlines. Risk Management ensures the injured employee and the supervisor are informed of the status of the claim; provides assistance and guidance to the employee and supervisor of the claim process and interpret the Workers' Compensation Policy and the rules and regulations of the DWC. In addition, Risk Management works closely with the treating physicians and Texas Municipal League Intergovernmental Risk Pool. If after one (1) calendar year from the date of lost time, the employee has not returned to full work duty the employee will be evaluated to determine whether the employee is able to perform the functions of the job with or without reasonable accommodations.

Return-to-Work: This is an important component of the Workers' Compensation program and a proactive approach to returning injured employees to a safe and productive work environment after they have suffered a work-related injury or illness. This process is also to facilitate a rehabilitation process and to minimize loss of income and reduced benefits. Risk Management works with supervisors and department directors to return injured employees back to work as soon as possible following an injury or an occupational disease. If necessary, attempts will first be made to provide Modified Duty

assignments in the department and division in which the employee currently works. If placement is not possible, then Risk Management will attempt to place the individual in another department based on physical ability, skills and available assignments. The maximum amount of time allowed for any employee to remain on Modified Duty assignments is six months. After the six months an extension will need to be approved by the Assistant City Manager/City Manager based on the expectation that the employee will return to full duty in a reasonable time.

Supplemental Pay: Once an employee's absence exceeds seven calendar days, the City's Workers' Compensation insurance carrier will begin making Workers' Compensation payments at 70% of the employee's base salary starting on the eighth day of injury to the injured employee. Supplemental Workers' Compensation Pay is a City benefit provided to employees to make up the difference between the Workers' Compensation income benefit and the employee's base pay. All employees are eligible for the supplemental pay. Supplement pay is available up to 4 months. Supplemental Pay can be suspended for failure to comply with the Workers' Compensation policy or if the supplemental pay time period has expired.

Service: Safety and Loss Prevention

The Safety and Loss Prevention Program is responsible for ensuring citywide development, implementation and maintenance of safety and health programs to control, minimize, eliminate or transfer possible loss to our carrier that could result in injury or illness to its workforce or the public, including liability and property damage. Approximately two years ago, an analysis of the Risk Management program was performed by a consultant. One of the main focuses was on a comprehensive safety program. As a result of the study, the need for a Safety Coordinator was identified. The Safety Coordinator oversees the Safety and Loss Prevention program by evaluating working environments, in conjunction with City Departments, to review potential safety and health problems with departmental operations, procedures and facilities, thereby minimizing potential risks for the City, as well as improving safety for the City and its residents. Additionally, the Safety Coordinator maintains records of exposures and claims, monitoring programs and producing appropriate analytical studies to keep employees, supervisors, directors and management informed. The Safety Coordinator develops updates and maintains policies, procedures and programs as they relate to safety as may be necessary to ensure organizational wide efficiency and effectiveness. The Risk Management staff compiles, analyzes, and interprets statistical data related to safety and loss control activities of the City, and exposure factors concerning occupational illnesses and accidents. Risk Management staff also prepares quarterly & annual reports to management and makes recommendations based on the trend analysis.

There are four policies and a safety handbook that establish the policies and procedures of the Safety Program. The Accident Review Board Policy outlines the roles and responsibilities of the board members. The main objective of the Accident Review Board will be to minimize injuries, protect property, reduce city liability and ensure consistency throughout the organization. The Accident Review Board will now review accidents that involve property damage or personal injury, decide whether the

accidents were preventable or non-preventable and recommend corrective actions. The Safety Committee Policy outlines the roles and responsibilities of the committee members. The Committee's primary function is to create and/or provide a safe and healthy work environment. The Safety Committee shall assist with the implementation of the safety program, recommend improvements to the workplace and also help in the identification of corrective measures needed to eliminate or control recognized safety and health hazards. The Safety Committee communicates with management and employees on matters relating to health and safety and therefore is one of the vital components of our safety program. The Safety Committee convenes on a scheduled basis and members selected shall regularly attend meetings. The main objective of the Safety Committee is to prevent accidents/incidents by identifying and eliminating as many unsafe conditions and acts as possible and also to promote employee safety education/training and support their participation in the organization's safety program. The Audits and Inspections Policy establishes guidelines for conducting safety audits and inspections. This policy ensures the continuous evaluation of the work environment regarding employee safety within the City. It is the policy of the City of Sugar Land that safety audits and inspections shall be conducted on a regular basis. The City believes that by doing so, we are continuously promoting the safety and well-being of all our employees by eliminating or minimizing work place hazards. The Safety Coordinator is responsible for all audit and inspection procedures. All employees must routinely inspect their work area prior to the start of their work activity. Supervisors should conduct daily safety inspections ensuring that tools, equipment and machinery being used in the workplace are in proper working condition. All inspection forms and documentation must be retained according to City policy regarding record keeping. The Emergency Evacuation Policy establishes guidelines during emergency evacuation situations involving City of Sugar Land employees and visitors. This policy's primary purpose is to protect all City employees and visitors during immediate life-threatening emergency situations. The City takes all emergency situations seriously and values the importance of evacuating all our employees and visitors. Therefore, this policy prescribes procedures for planning for and responding to all immediate life-threatening situations that would likely affect a large number of City employees and visitors. Adherence to this policy reduces the element of risk that employees and visitors are exposed to while they are in City facilities. This policy outlines the roles and responsibilities of the Emergency Evacuation Team (Group Leaders and Accountability Staff) during an emergency evacuation. It is crucial that all employees adhere to the emergency evacuation procedures for their own benefit as well as their co-workers. The Safety Coordinator ensures that all Emergency Evacuation Team members are trained annually regarding their roles and responsibilities. The Safety Coordinator plans and conducts at least one annual evacuation drill per facility. Annual facility inspections are scheduled accordingly with the emergency evacuation drills.

The Safety Handbook outlines the roles and responsibilities of all City employees as it relates to safety in the workplace. The handbook addresses safety accountability and responsibilities for employees, supervisors, directors and Risk Management. As well as establishes outlines for Safety Education and Training, Accident Reporting and Investigation, Driver Safety Program, General Safety Rules Practices and Procedures and the Hazardous Communication Program.

Activity: Drug and Alcohol Screenings

Drug and alcohol screenings are performed to ensure that while on duty for or acting on behalf of the City, while wearing a City uniform and/or in a City vehicle, while on City premises, that employees will not be impaired by alcohol, intoxicants, or have illegal substances present in their system. The City's Employee Policy Manual identifies the policy guidelines for drug and alcohol screenings. Human Resources contracts annually with a medical facility to administer collect and test all drug and alcohol screenings. For confidential purposes only the Risk Manager and the Human Resources Director receive the results of all drug and alcohol screenings. Risk Management retains all drug/alcohol test-related records for employees. Drug and alcohol screenings are required for Post-Accident, Random and Reasonable Suspicion as described below.

Post-Accident Screenings: Any employee who is involved in an accident while operating a City vehicle or motorized equipment is required to take a drug and alcohol test if the accident results in damage or loss to any property or an injury requiring medical attention to any person; and the employee contributed to or caused the accident. The supervisors are responsible for contacting the medical facility and making arrangements with the technician to perform the screening. All screenings are performed as soon as possible after the accident and are performed at City facilities. Through review of the First Reports of Accident and training Risk Management ensures that these screenings are performed as required. Per policy, for the purpose of post-accident testing, the employee(s) involved in the accident is not allowed to drive until the results are received and the results are negative. Immediately after the results are received by the Risk Manager, the employee, supervisor and department director are notified.

Random Screenings: Drug and alcohol screenings are also performed for random purposes only to Commercial Driver's License (CDL) holders. The CDL program is established to provide rules and regulations pursuant to the Federal Motor Carrier Safety Administration (FMCSA) and Texas Department of Transportation (TxDOT). The medical facility performs all alcohol and drug testing procedures for CDL employees in accordance with city, state, and federal guidelines. Any employee who holds a CDL will be in the random drug and alcohol testing pool, regardless of how often it is used on the job. All firefighters are required to have a CDL in order to operate the fire trucks. However, pursuant to FMCSA and TxDOT, firefighters are exempt from the CDL requirements. Most City CDL drivers are from Public Works, Utilities, Parks and Recreation departments. On a quarterly basis CDL drivers are subject to unannounced alcohol and controlled substance testing based on a computer generated random selection by the medical facility. Drivers must be tested randomly at a minimum annual percentage rate of 10% of the number of drivers for alcohol testing and 50% of the number of drivers for controlled substances testing. Risk Management ensures that random testing will be unannounced and spread reasonably throughout the calendar year. Risk Management coordinates with the medical facility and a representative from Public Works or Utilities for the unannounced screenings. The medical facility technician will perform the screenings at one or two City facilities, depending on who is on the list. In addition, Risk Management maintains a list of employees who hold CDL licenses.

Reasonable Suspicion: A Supervisor may require an employee to undergo a drug/alcohol test if there is reasonable suspicion that the employee is impaired by drugs or alcohol while acting in the scope of employment on behalf of the City. Supervisors shall be responsible for determining if reasonable

suspicion exists to warrant drug/alcohol testing, and shall be required to document in writing the specific facts, symptoms, or observations which form the basis for such reasonable suspicion. If a specific, contemporaneous, articulable observation concerning the appearance, behavior, speech, or a body odor of the employee exists; the supervisor shall contact another supervisor to view and confirm their suspicion. The supervisor(s) is required to notify the Director of Human Resources or designee regarding any reasonable suspicion for instructions regarding a “reasonable suspicion” interview and test. If the reasonable suspicion occurs after normal business hours, the supervisor shall contact the medical facility to arrange a drug and alcohol screening.

Activity: Motor Vehicle Records Checks

All operators of City vehicles and equipment must possess a valid Texas Driver’s License. Personal driving records can impact employees who must drive city vehicles or equipment to perform their jobs. An employee whose position requires driving a city vehicle, as an essential part of their job, will have their motor vehicle records (MVR) checked. As a safety measure, MVR checks are conducted annually on all employees who are required to drive a city vehicle. To be eligible to drive a city vehicle an employee may not have more than 2 moving violations in a 3 year period on their driving record.

Activity: Work Safe Award Program

Work Safe Award: The City is committed to the development of an aggressive city-wide safety program that promotes a safe work environment throughout the City organization. A program that recognizes employees for their achievements in promoting and maintaining a safe work environment is a valuable tool in meeting this goal. The “Work Safe Award” program is in Employee Recognitions Interdepartmental Policy HR129 and is designed to award employees who make significant contributions to reducing risks or hazards by taking corrective actions or being proactive with safety innovations. Employees that may be considered for a work safe award must demonstrate behavior to support safety, demonstrate the care and concern for safety on a daily basis and consistently attend safety meetings. This program is promoted in the by-monthly director’s meetings, quarterly director’s meetings and in the safety meetings.

Health and Wellness: Risk Management collaborates with the wellness committee on health and wellness programs such as the hydration campaign and health and nutrition. The hydration campaign is usually held in early June to remind employees about the importance of staying hydrated, especially in the hot summer months. Health and nutrition is about educating and reminding employees that a healthy employee is a safe employee.

Activity: Safety Training

The Safety Coordinator in collaboration with the Safety Committee develops plans and conducts training related to safety and wellness as needed to ensure all employees are knowledgeable about safety and wellness policies and procedures as well as state and local laws, regulations, and requirements. The Safety Committee members propose new training programs based on issues identified in the field and participate in the development of improvements for identified deficiencies. In addition, the Safety Coordinator works with departments to ensure employees are trained on how to do their jobs safely to

control, minimize, eliminate, or transfer possible loss. However, there is specific departmental training that each department is responsible for to ensure that their employees are trained. The Safety Coordinator assists departments with coordinating and identifying training resources and material for the departmental specific training needs. The Safety Coordinator also works with directors to identify what aspects of general safety education and training are needed for their departments. Various training resources are utilized for safety training, such as online training through Target Solutions, instructors from Texas Municipal League Intergovernmental Risk Pool, employees that are certified in expert subject matter, and other external resources.

The Safety Coordinator develops plans and implements the annual safety work plan and training calendar. All safety meetings and trainings are scheduled according to the Safety Training Matrix (See Safety Training Matrix on SLIC). There is regular safety meetings scheduled throughout the year on various topics from the matrix. Employees are expected to attend all safety trainings as delegated to them by Risk Management. Documentation of safety meetings and other training records will be maintained in Risk Management by the Safety Coordinator in conjunction with Fire and Police Training Departments.

General Safety, Personal Protective Equipment, Back Safety, Backhoe Operations, Trenching and Shoring, Confined Spaces, Accident Investigation, Defensive Driving, Vehicle Safety (Inspections and Backing Up), Office Safety and Ergonomics, Hazardous Chemicals, Material Safety Data Sheets (MSDS), Fire Extinguisher, First Aid and CPR, Heat Stress and Hydration Campaign, Hurricane Preparedness, Work Zone Traffic Control, Facility Safety, and Nutrition and Health.

Training and certification for defensive driving classes is also part of the Safety and Loss Prevention program. Several employees throughout the city are certified through the Texas Education Agency (TEA) as defensive driving instructors. The Safety Coordinator oversees the Defensive Driving Program and will work together with the other instructors to schedule all defensive driving classes. Employees that are essential drivers are required to take defensive driving every three years. New employees that are essential drivers are also required to take defensive driving as soon as possible after being hired. It has been almost four years since the start of this program, therefore we are in the process of re-training all the employees that were trained three years ago.

The Texas Hazard Communication Act (THCA), codified as Chapter 502 of the Texas Health and Safety Code (HSC), requires all public employers in Texas to provide their employees with information regarding hazardous chemicals to which employees may be exposed in their workplace. In order to comply with this regulation we assign the Hazardous Communication training annually to those employees normally exposed to chemicals.

New hires are also required to attend an orientation within the first month of hire where they are introduced to the City's culture and values, and policies. Review of the safety policies & procedures are a part of the New Employee Orientation training.

Training and certification for CPR, First Aid and Automated External Defibrillator (AED) is also part of the Safety and Loss Prevention program. Several employees throughout the city are certified through the American Red Cross. The certified instructors teach CPR, First Aid and AED to city employees.

Activity: Audits and Inspections

With our work environment rapidly changing, the likelihood of work hazards that would compromise the safety of our employees increases. Safety audits and inspections are effective tools that should be utilized to identify problems and hazards before any of these conditions result in accidents or injuries of our employees. Audits and Inspections eliminate or minimize work place hazards. The Safety Coordinator is responsible for designing complete audit and inspection procedures for all work areas, processes and procedures. The Safety Audit and Inspection Policy states that audits and inspection are conducted by the Safety Coordinator, with the assistance of the Safety Committee. An audit is a critical examination of all or part, of an organization with relevance to safety and to suggest improvements and/or upgrade. It is intended to measure the effectiveness of an organization's safety programs in every aspect. An inspection is used to identify potential hazards within a workplace, ensure that preventative controls are in place and that action is taken to quickly address hazards. The Safety Coordinator, along with at least one member of the Safety Committee, will conduct audits at least once annually for each City facility. The Safety Coordinator in collaborations with departments will do worksite inspections weekly at different locations. All employees are responsible for conducting daily inspections of their workplace or worksite as well as tools & equipment prior to the start of their work shift or new activity. Supervisors must conduct periodic or spot inspections of worksites to detect hazards resulting from equipment or materials or unsafe employee work practices. Employees assigned to City vehicles shall inspect City vehicles and equipment prior to operation and provide monthly documentation on appropriate vehicle inspection checklist. Supervisors shall inspect each City vehicle assigned to their crew at least once a month using the Vehicle Inspection Checklist. The inspection forms are sent to the Safety Coordinator by the end of the month every month. The Safety Coordinator monitors all inspection procedures including maintaining inspection reports and logs.

Service: Insurance and Contracts

Risk Management assists the Legal Department, the Purchasing Office, as well as other departments in reviewing insurance and contract documents to ensure that contractors/vendors maintain appropriate insurance in compliance with the City's contract and insurance requirements. Reviewing insurance & contracts reduce the City's exposure to liability claims and lawsuits arising from the activities and operations of contractors/vendors. Vendor and contractor insurance requirements are standard on most contracts and agreements; however there are instances where special insurance is required and where vendors and contractors are unable to meet the City's insurance requirements. Time is also spent working with the vendors and contractors explaining how the City's coverages apply to the work that they may be doing for the City. Due to the complexity of special contracts, it is essential to have a professional risk consultant or legal consultant to advise Risk Management and assist in protecting the City's exposure with contractors and determine the appropriate level of insurance. Some recent examples of such special contracts are Sculpture in the Park (Oyster Creek Park), Opening Day Partners, Union Pacific, the risk of fireworks off the roof of City Hall, and pollution liability insurance for the underground fuel storage tanks. This also extends to insurance requirements for the Airport's tenant

leases, non-profit and community groups doing business with the City or sponsoring events on City property. In FY12, Risk Management received approval to use funds from the insurance account to pay for a professional legal consultant who specializes in insurance matters. For FY13, funds were allocated to Risk Management to maintain this professional legal consultant on a recurring annual basis.

Service: Property and Liability Claims Management

Risk Management is responsible for eliminating, reducing, or mitigating the City's exposure to loss resulting from vehicle accidents, third party liability claims, and property damage/loss. Administration of the Property and Liability claims includes recovery of damage to City property or equipment from liable third parties. In addition, there are lawsuits that result from alleged actions and there are claims that are denied that turn into lawsuits.

Liability Claims Management: Liability claims include slips, trips and falls on City property, resident or business owner water leaks and sewer backups. This also includes auto liability claims, law enforcement claims and airport liability claims. When Risk Management receives notice of a new claim the respective department(s) is put on notice and an initial investigation begins within 24 hours. Risk Management partners with the department(s) to gather all the facts and obtain records or other documents related to the claim. The Risk Manager, along with other departments, will visit the site of the incident including the claimant's residence or place of business. A letter is sent to the claimant informing them that their claim has been received and being investigated, and explains the process of the claim. Risk Management initiates an investigation of the claim by working with the department(s) affected by or related to the claim. Reports, work orders, pictures, etc. are gathered during this investigation. If needed, the Risk Manager meets with the department's staff at the site or location where incident happened and/or holds a meeting with City staff to assess the situation or answer questions, and gather any other facts. The claim then gets turned over to Texas Municipal League Intergovernmental Risk Pool for handling and investigating. TMLIRP assigns an internal claims specialist and an independent adjuster. Any facts or documents gathered by City staff from the initial investigation are turned over to the claims adjuster. The Risk Manager stays in contact with the claimant, adjuster(s) and TMLIRP. After completion of the investigation TMLIRP notifies Risk Management of their decision and a notice of the decision goes out to the claimant. When the claim is accepted TMLIRP sends a claims release form and payment to the claimant. When the claim is denied, often times, the claimant is not satisfied with the decision and continues to contact the City. The Risk Manager will work with the claimant, answer any questions and refer them to TMLIRP. If the claim becomes a lawsuit there is a different process.

Property Claims Management: Risk Management is responsible for handling all claims related to City property. Almost all claims are turned in to TMLIRP for process and handling because they rise above the deductible. TMLIRP does not handle some claims that are under the deductible, such as vehicle or property claims. Therefore, this also includes the management of in-house claims which involves receiving claims, investigating, monitoring and subrogating the claims. Primarily these property damage claims result from vehicle accidents in which the driver involved collides with City vehicles or traffic light poles and pedestrian poles. The City's police department will investigate the scene of the accident and produce a crash report. Risk Management obtains the crash report from the Police Department's

Records Division and the driver's and insurance company information is utilized to subrogate the claim and recover the repair or replacement costs. When it involves City vehicles, Risk Management collaborates with the Fleet Garage to make arrangements to get City vehicles repaired. The Fleet Garage personnel perform a post-inspection of the vehicle. The vehicle then gets transported to the body shop for an estimate and repairs. Fleet Garage personnel provide a copy of the estimate and the Risk Manager gives the approval to repair based on the year and value of the vehicle. At any time, if the estimate exceeds \$5,000, Risk Management requests to TMLIRP that an adjuster perform a damage assessment. TMLIRP notifies Risk Management if the vehicle or equipment will be repaired or totaled. When it is determined that the vehicle is going to be repaired Fleet Garage personnel are notified and the vehicle gets repaired. If the vehicle or equipment gets totaled, Risk Management notifies the Fleet Garage manager and the department the vehicle is assigned to. TMLIRP then makes arrangements to get the vehicle or equipment picked up. If the vehicle or equipment gets repaired a check gets issued for the repairs. If the vehicle or equipment is totaled a check gets issued for the value of the vehicle or equipment.

The Risk Management also works with the Fort Bend County's prosecutors to collect restitution from drivers who collide with City property, such as traffic or pedestrian poles, and are arrested for reasons such as DUI, DWI, etc. Costs to repair the affected property are sent to the prosecutor. Checks are sent to Risk Management. Risk Management makes every effort to recover all costs associated with property claims.

Lawsuits and EEOC Charges: When the City receives a notice of a lawsuit or EEOC charge, Risk Management notifies TMLIRP. On EEOC charges, TMLIRP gets put on notice and the City's Legal Department handles the response to the EEOC charge. TMLIRP assigns outside legal counsel to all lawsuits. Risk Management collaborates with the Legal Department and ensures that all information gathered by City staff is sent to TMLIRP and the outside legal counsel. At all times Risk Management remains the liaison between the City's Legal Department, TMLIRP and the outside legal counsel.

Service: Workers' Compensation, Property and Casualty Insurance Policies

Risk Management administers the insurance policies for Workers' Compensation, Property and Casualty (Real & Personal Property, General Liability, Auto Liability, Auto Physical Damage, Workers' Compensation, Crime, Public Officials Errors & Omissions, Law Enforcement and Pollution Liability). The City provides coverages to all of its non-profit corporations or organizations when the members of the organizations are working or meeting on behalf of the City, such as Sugar Land Development Corporation, Sugar Land 4B Corporation, Sugar Land Town Square Development Authority, Tax Increment Reinvestment Zone 1 and Tax Increment Reinvestment Zone 3. This includes maintaining insurance schedules, preparing the annual re-rate and exposure reports to TMLIRP, reviewing levels of coverage and deductibles.

Except for pollution liability for the underground storage tanks and the Char Lake area, all of the above coverages are with TMLIRP. Pollution Liability coverage for the five (5) Underground Storage Tanks (UST) is underwritten by Great American Alliance Insurance Company. The City owns and maintains five

(5) UST's which store fuel. These tanks must be insured through a pollution liability policy. Pollution Liability for the approximate 44 acres in the Char Lake area is underwritten by Chartis Specialty Insurance Company.

Every year these insurance policies are renewed. All of the insurance policies with TMLIRP are renewed every October 1st. Every year in April TMLIRP begins the rerate process. The rerate exposure summary and property schedules are sent to the City for review and changes. Coverages and deductibles are reviewed and changes are made accordingly. During the rerate process, Risk Management reviews the City's payroll, employee population and employee classifications, and volunteer hours because these are all exposures that are rated by TMLIRP. Risk Management works with other departments during the rerate process by reviewing and comparing the insurance schedules of property, automobiles and mobile equipment against City records. Risk Management also works with the Accounting and Budget & Research personnel for the exposure on payroll, employee population and employee classification, including volunteers and time volunteering. The process for the five (5) UST's insurance renewal is that the tanks have to be tested for leaks and the results must be provided to TCEQ. Public Works Fleet Garage handles the testing procedures. The testing results of all UST's must meet TCEQ requirements. Pass results of the leak test must be sent to the insurance broker at least three (3) months before each renewal. Insurance is then placed for all the above coverages.

SERVICE LEVEL EXPECTATIONS

Program: Risk Management	
Service (Activity)	Service Level Expectation
Administration	Monitor revenues and expenditures to ensure sound fiscal controls and property and assets are appropriately insured.
Workers' Compensation	Stabilize workers' compensation costs from year to year.
Safety and Loss Prevention	<i>Service Levels as Defined by Activities Below:</i>
<i>Safety Training Meetings</i>	Develop and conduct at least eight mandatory safety meetings per year for targeted employee work groups.
<i>Inspections & Audits Conducted</i>	Conduct inspections of all City facilities at least once a year. Conduct worksite inspections at least weekly.
<i>Emergency Evacuations Drills</i>	Conduct at least one drill at each facility annually.
Insurance and Contracts	Review contracts and agreements with insurance questions and/or concerns within two business days.
Property and Liability Management	Subrogate 60% of in-house claims received.